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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION
11

12 IP LEARN, LLC,
13 Plaintiff and Counterdefendant,
14 v.
15 SABA SOFTWARE INC.; and DOES 1-10,
16 Defendant and Counterclaimant.
17
18

No. C 02-02634 JW

**SABA SOFTWARE, INC.'S
OBJECTIONS TO CONTENTIONS
AND EVIDENCE OFFERED BY IP
LEARN IN ITS OPPOSITION TO
SABA'S MOTIONS FOR
SUMMARY JUDGMENT**

Date: June 9, 2003
Time: 9:00 a.m.
Judge: Hon. James Ware
Courtroom: 8, 4th Floor

INTRODUCTION

The Northern District’s Patent Local Rules require IP Learn to produce “[a] chart identifying *specifically where* each element of each asserted claim is found within each Accused Instrumentality.” (Patent L.R. 3-1(c) (emphasis added).) IP Learn had not one, but two opportunities to come forward with preliminary infringement contentions (“PICs”) that satisfy the Local Rules. IP Learn drafted its most recent contentions one month before the due date for Saba’s summary judgment motions — a schedule requested by Saba specifically so it could rely on the contentions as the basis for its motions. In drafting its PICs, IP Learn had the benefit of tens of thousands of pages of Saba’s technical documentation, the source code for the accused products, and months of time in which to review that material. (Declaration Of David E. Melaugh In Support Of Saba Software, Inc.’s Motions For Summary Judgment, filed May 5, 2003 (“Melaugh Opening Decl.”), ¶ 7.)

Nevertheless, for the first time in its opposition, IP Learn identifies three new places “specifically where” the disputed elements of the asserted claims are found and attempts to introduce evidence it claims supports these new infringement contentions. (*See* Opposition to Saba Software Inc.’s Motion for Summary Judgment of Non-Infringement and Invalidity Re: the ’448 Family of Patents (“’486 Opposition”), Sections III.B.3 & III.B.4; Opposition to Saba Software Inc.’s Motion for Summary Judgment of Non-Infringement Re: the ’448 and ’556 Patents, filed May 19, 2003 (“’448/’556 Opposition”), Section III.B.)

IP Learn’s interrogatory responses have similarly concealed the support for its argument that the ’486 family of patents are valid in light of the prior art offered by Saba. In every instance, IP Learn’s response to targeted interrogatories was limited to some variation of the same rote text: “The cited material does not teach, suggest or render obvious a system that [quotation of claim language].” (*See, e.g.*, Melaugh Opening Decl., Ex. N, Table 1 at 1.) In its opposition, IP Learn seeks to present detailed validity defenses, supported by a 141-paragraph expert declaration. (*See* IP Learn’s ’486 Opposition, Section III.D.)

Saba warned the Court in its opening brief that IP Learn might try to violate the Federal and Local Rules in this fashion — indeed, Saba chose this as the lead section for its brief. (Saba

Software, Inc.’s Motion For Summary Judgment Of Non-Infringement And Invalidity Re: The
'486 Family Of Patents, at 3-4.) Nevertheless, IP Learn offers no defense for its actions, entirely
ignoring this section of Saba’s opening brief.

I. IP LEARN’S NEW INFRINGEMENT CONTENTIONS SHOULD BE REJECTED.

As the Court is well aware, the Local Rules require a party alleging infringement to
produce “[a] chart identifying *specifically where* each element of each asserted claim is found
within each Accused Instrumentality.” (Patent L.R. 3-1(c) (emphasis added).) IP Learn’s first
PICs chart was woefully inadequate. In many instances, it simply repeated the claim language,
with no indication at all as to “specifically where” in Saba Learning the asserted claim element
was found. Saba successfully moved to compel competent PICs from IP Learn.

IP Learn produced those court-ordered amended PICs on April 4, 2003. Every document
cited in those PICs was produced by Saba voluntarily in July 2002 or in October 2002. (*See*
Melaugh Opening Decl., ¶ 7; Reply Declaration Of David E. Melaugh In Support Of Saba
Software, Inc.’s Motions For Summary Judgment, filed herewith (“Melaugh Reply Decl.”), ¶ 4.)
Saba relied on those PICs in drafting its summary judgment motions. Indeed, Saba specifically
sought (and received) a summary judgment schedule from this Court that would allow Saba time
to review and respond to the PICs. (*See* Declaration of Wayne Stacey, filed May 19, 2003, Ex. 3
(Order Granting Saba Software, Inc.’s Miscellaneous Administrative Request to Modify
Summary Judgment and Claim Construction Schedule).)

In its opposition briefing, however, IP Learn for the first time introduces three new
infringement contentions:

- IP Learn’s PICs claim only that the “certification” feature of Saba Learning uses
“relationship rules, which determine the relationship between at least two line-items”
for “performing inferences on the one or more scores based on the set of relationship
rules to generate a recommendation.” (Melaugh Opening Decl., Ex. F (“Appendix A
to Supplemental Disclosure of Asserted Claims and Preliminary Infringement
Contentions” (“PICs Chart”)) at 19-20.) IP Learn’s opposition alleges, for the first

time, that the question weighting feature of Saba Learning performs this claimed step. (Declaration of William Horton, filed May 19, 2003 (“Horton Decl.”), ¶ 59; *see also id.*, ¶¶ 56-58; ’486 Opposition, Section III.B.3.)

- IP Learn’s PICs likewise claim only that the “certification” feature of Saba Learning applies a “complexity-hierarchy to . . . overall scores to generate a recommendation.” (Melaugh Opening Decl., Ex. F (PICs Chart) at 22-23.) IP Learn’s opposition alleges, for the first time, that the question weighting feature of Saba Learning performs this claimed step. (Horton Decl. ¶¶ 56-58; ’486 Opposition, Section III.B.4.)
- IP Learn’s PICs claim only that course searches performed in Saba Learning perform the steps of “searching,” “extract[ing],” and “creating” documents. (Melaugh Opening Decl., Ex. F (PICs Chart) at 58 & 78.) IP Learn’s opposition alleges, for the first time, that *separate products* (Saba Content, Saba Content Builder, and Saba Publisher) perform these claimed steps. (Horton Decl. ¶¶ 63-71; *see also* ’448/’556 Opposition, Section III.B; Melaugh Reply Decl., Ex. A (April 10, 2003 Deposition Transcript of Jodie Kalikow) at 17:18-22, 23:20-23 & 26:8-18; Reply Declaration Of Jodie Kalikow In Support Of Saba Software, Inc.’s Motions For Summary Judgment, filed herewith (“Kalikow Reply Decl.”), ¶¶ 9-11.)

On these points, IP Learn cites no newly produced document as support.¹ (Horton Decl. ¶¶ 56-58 (regarding complexity-hierarchy, citing nothing); ¶ 59 (regarding relationship rules, citing nothing); ¶¶ 63-71 (regarding document searching, citing documents produced by Saba in July and October 2002).) And IP Learn offers no defense of its effort to surprise Saba with new infringement contentions. Saba was concerned that IP Learn might attempt such a tactic, and therefore highlighted that possibility as the first substantive section of its opening brief. (Saba Software, Inc.’s Motion For Summary Judgment Of Non-Infringement And Invalidity Re: The ’486 Family Of Patents, at 3-4.) IP Learn gives no excuse for its conduct.

¹ Nor do these new infringement contentions cite any of the deposition testimony of Jodie Kalikow or Rich Ellinger, given April 9-10, 2003.

Moreover, IP Learn has ignored the specific mechanism provided by the Local Rules by which a plaintiff may introduce new infringement contentions: Patent Local Rule 3-7.² IP Learn has not sought the Court's leave to amend its PICs pursuant to Rule 3-7. Even if it were to do so, IP Learn would be hard pressed to justify why there is good cause for such amendment given the amount of time IP Learn had to review the technical material supporting its new infringement contentions, for, as noted above, the only documents cited by IP Learn in support of the new contentions were produced to IP Learn in July and October 2002.

If Patent Local Rules 3-1 (requiring PICs) and 3-7 (requiring permission of the Court to amend) are to have any meaning, IP Learn should be prohibited from offering surprise amendments to its PICs by way of its Opposition briefing. The Court should therefore disregard paragraphs 56-58 and 63-71 of the Horton Declaration, in which IP Learn attempts to offer these new infringement contentions.

II. IP LEARN SHOULD BE HELD TO ITS INTERROGATORY RESPONSES REGARDING THE VALIDITY OF ITS PATENTS.

On March 18, 2003, Saba served interrogatories on IP Learn seeking the basis for IP Learn's belief that its patents were valid in light of the prior art and Saba's preliminary invalidity contentions. Saba presented IP Learn with detailed invalidity contentions and asked IP Learn to respond, on an element-by-element basis, why it contended its patents were valid in light of the prior art disclosed by Saba and Saba's invalidity contentions applying the art to IP Learn's patents.³ (Melaugh Opening Decl., Ex. N.) For every element, IP Learn replied with some variation of: "The cited material does not teach, suggest or render obvious a system that [quotation of claim language]." (*See, e.g., id.* at Table 1 at 1.)

² The Patent Local Rules also allow an automatic amendment to infringement contentions following the Court's claim construction ruling. *See* N.D. Cal. Patent Local Rule 3-6. As IP Learn's amended PICs came after the Court's recent preliminary claim construction ruling, Local Rule 3-6 is not applicable. (*See* Melaugh Opening Decl., Exs. F (IP Learn's amended PICs, served April 4, 2003) & G (Court's claim construction order, entered March 21, 2003).)

³ IP Learn served similar interrogatories on Saba, requesting that Saba produce element-by-element "non-infringement" contentions.

1 IP Learn should be held to that response, so that it cannot profit from the surprise element
 2 in its opposition to summary judgment.⁴ Of course, the Court still has the obligation to examine
 3 the prior art and compare it to the asserted claims. Given IP Learn's concealment of its validity
 4 arguments, however, that effort should be undertaken with reference only to the Court's own
 5 analysis, Saba's briefing, and the minimal evidence and argument present in IP Learn's
 6 interrogatory responses.

7 CONCLUSION

8 For the foregoing reasons, this Court should disregard IP Learn's new infringement
 9 contentions, offered for the first time in its opposition briefing, and hold IP Learn to its
 10 interrogatory responses regarding the validity of the '486 family of patents.

11 Dated: May 28, 2003

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 25 ⁴ Saba seeks here only to hold IP Learn to its interrogatory responses as they relate to
 26 SuccessMaker. As to the Hirmanpour thesis, IP Learn refused to make any response, arguing that
 27 until Saba formally amended its invalidity contentions to include the thesis, IP Learn was under
 28 no obligation to respond to any interrogatory related to that reference. (Melaugh Decl., Ex. N at
 9-12.) While Saba believes this objection has absolutely no merit, it does not wish to address this
 matter in the course of summary judgment briefing.